

**CITY OF BISMARCK POLICE PENSION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2002**

	October-02				September-02				Current Fiscal YTD	Prior Year FY02	3 Years Ended 6/30/2002	5 Years Ended 6/30/2002
	Allocation				Allocation							
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>												
<i>Structured Growth</i>												
<i>AllianceBernstein</i>	225,448	2.3%	2.6%	8.06%	209,026	2.2%	2.6%	-13.56%	-6.60%	-28.98%	-16.11%	N/A
<i>Russell 1000 Growth</i>				9.17%				-15.05%	-7.26%	-26.49%	-16.15%	N/A
<i>Structured Value</i>												
<i>LSV</i>	484,143	4.9%	5.1%	2.42%	473,090	4.9%	5.1%	-18.29%	-16.32%	2.72%	5.54%	N/A
<i>Russell 1000 Value</i>				7.41%				-18.77%	-12.75%	-8.96%	-4.87%	N/A
<i>Enhanced Russell 1000 Index</i>												
<i>LA Capital (Wilshire)</i>	481,229	4.9%	5.1%	7.44%	448,781	4.7%	5.1%	-16.27%	-10.04%	-17.00%	N/A	N/A
<i>Russell 1000</i>				8.31%				-16.91%	-10.01%	-17.89%	N/A	N/A
<i>Enhanced S&amp;P 500 Index</i>												
<i>Northern Trust</i>	470,450	4.8%	5.1%	8.71%	433,772	4.5%	5.1%	-16.71%	-9.45%	-16.98%	N/A	N/A
<i>Strong</i>	468,848	4.8%	5.1%	9.05%	430,980	4.5%	5.1%	-16.75%	-9.21%	-20.23%	N/A	N/A
<i>Westridge</i>	583,565	5.9%	5.1%	8.84%	539,941	5.6%	5.1%	-17.19%	-9.87%	-17.54%	N/A	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>1,522,863</b>	<b>15.4%</b>	<b>15.4%</b>	<b>8.86%</b>	<b>1,404,693</b>	<b>14.7%</b>	<b>15.4%</b>	<b>-16.88%</b>	<b>-9.51%</b>	<b>-18.23%</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P 500</i>				8.80%				-17.28%	-10.00%	-17.98%	N/A	N/A
<i>S&amp;P 500 Index</i>												
<i>State Street</i>	531,222	5.4%	6.0%	8.81%	489,269	5.1%	6.0%	-17.26%	-9.97%	-17.96%	-9.14%	3.67%
<i>S&amp;P 500</i>				8.80%				-17.28%	-10.00%	-17.98%	-9.18%	3.67%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>3,244,904</b>	<b>32.9%</b>	<b>34.3%</b>	<b>7.58%</b>	<b>3,024,858</b>	<b>31.6%</b>	<b>34.3%</b>	<b>-16.78%</b>	<b>-10.47%</b>	<b>-17.13%</b>	<b>-9.48%</b>	<b>2.68%</b>
<i>S&amp;P 500</i>				8.80%				-17.28%	-10.00%	-17.98%	-9.18%	3.67%
<b>SMALL CAP DOMESTIC EQUITY</b>												
<i>Manager-of-Managers</i>												
<i>SEI</i>	945,658	9.6%	10.7%	2.46%	922,725	9.6%	10.7%	-19.10%	-17.11%	-11.87%	N/A	N/A
<i>Russell 2000 + 200bp</i>				3.38%				-20.90%	-18.23%	-6.68%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>945,658</b>	<b>9.6%</b>	<b>10.7%</b>	<b>2.46%</b>	<b>922,725</b>	<b>9.6%</b>	<b>10.7%</b>	<b>-19.10%</b>	<b>-17.11%</b>	<b>-11.87%</b>	<b>1.18%</b>	<b>1.95%</b>
<i>Russell 2000</i>				3.21%				-21.40%	-18.88%	-8.59%	1.67%	4.44%
<b>INTERNATIONAL EQUITY</b>												
<i>Large Cap - Core</i>												
<i>State Street</i>	87,861	0.9%	1.1%	5.13%	83,560	0.9%	1.1%	-19.99%	-15.88%	-11.74%	-6.76%	-2.26%
<i>MSCI EAFE - 50% Hedged</i>				5.40%				-20.02%	-15.70%	-14.62%	-5.75%	0.27%
<i>Large Cap - Active</i>												
<i>Capital Guardian</i>	235,754	2.4%	2.8%	8.23%	217,879	2.3%	2.8%	-21.50%	-15.03%	-13.17%	-1.00%	5.76%
<i>Bank of Ireland</i>	50,989	0.5%	0.6%	8.12%	47,141	0.5%	0.6%	-21.60%	-15.24%	N/A	N/A	N/A
<b>Total Large Cap - Active</b>	<b>286,743</b>	<b>2.9%</b>	<b>3.3%</b>	<b>8.21%</b>	<b>265,020</b>	<b>2.8%</b>	<b>3.3%</b>	<b>-21.51%</b>	<b>-15.07%</b>	<b>-12.19%</b>	<b>-0.63%</b>	<b>6.00%</b>
<i>MSCI EAFE - 50% Hedged</i>				5.40%				-20.02%	-15.70%	-14.62%	-5.75%	0.27%
<i>Small Cap - Active</i>												
<i>Lazard</i>	53,294	0.5%	0.6%	0.94%	52,841	0.6%	0.6%	-17.39%	-16.61%	N/A	N/A	N/A
<i>Wellington</i>	51,424	0.5%	0.6%	1.42%	50,679	0.5%	0.6%	-17.35%	-16.17%	N/A	N/A	N/A
<b>Total Small Cap - Active</b>	<b>104,718</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.18%</b>	<b>103,520</b>	<b>1.1%</b>	<b>1.1%</b>	<b>-17.37%</b>	<b>-16.40%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>SSB BROAD MARKET INDEX &lt; \$2BN</i>				-0.90%				-15.30%	-16.07%	N/A	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>479,322</b>	<b>4.9%</b>	<b>5.5%</b>	<b>6.03%</b>	<b>452,099</b>	<b>4.7%</b>	<b>5.5%</b>	<b>-20.31%</b>	<b>-15.50%</b>	<b>-10.49%</b>	<b>-2.94%</b>	<b>2.40%</b>
<i>MSCI EAFE - 50% Hedged</i>				5.40%				-20.02%	-15.70%	-14.62%	-5.75%	0.27%
<b>EMERGING MARKETS EQUITY</b>												
<i>Capital Guardian</i>	182,238	1.8%	2.0%	6.94%	170,414	1.8%	2.0%	-16.68%	-10.89%	-5.69%	-5.69%	-6.04%
<i>MSCI Emerging Markets Free</i>				6.49%				-16.30%	-10.87%	1.30%	-6.34%	-8.42%
<b>DOMESTIC FIXED INCOME</b>												
<i>Core Bond</i>												
<i>Western Asset</i>	524,698	5.3%	4.6%	-1.08%	529,988	5.5%	4.6%	3.66%	2.54%	8.87%	8.93%	8.26%
<i>Lehman Aggregate</i>				-0.46%				4.58%	4.10%	8.62%	8.10%	7.57%
<i>Active Duration</i>												
<i>Criterion</i>	519,117	5.3%	4.6%	-0.60%	522,381	5.5%	4.6%	2.57%	1.96%	6.00%	7.60%	7.09%
<i>Lehman Aggregate</i>				-0.46%				4.58%	4.10%	8.62%	8.10%	7.57%

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	October-02				September-02				Current	Prior Year	3 Years	5 Years
	Allocation				Allocation				Fiscal YTD	FY02	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	6/30/2002 Net	6/30/2002 Net
<b>Index</b>												
Bank of ND	625,104	6.3%	6.2%	-0.81%	630,199	6.6%	6.2%	5.96%	5.10%	9.56%	8.03%	7.55%
Bank of ND Match Loan CD Program	123,458	1.3%	1.3%	0.48%	122,869	1.3%	1.3%	1.44%	1.93%	5.79%	5.86%	5.90%
<b>Total Index</b>	<b>748,563</b>	<b>7.6%</b>	<b>7.5%</b>	<b>-0.51%</b>	<b>753,068</b>	<b>7.9%</b>	<b>7.5%</b>	<b>4.78%</b>	<b>4.25%</b>	<b>9.68%</b>	<b>7.81%</b>	<b>7.47%</b>
Lehman Gov/Corp				-0.96%				5.70%	4.69%	8.24%	7.85%	7.47%
<b>Convertibles</b>												
TCW	482,786	4.9%	4.6%	3.38%	469,167	4.9%	4.6%	-9.90%	-6.85%	-21.20%	-2.06%	N/A
First Boston Convertible Index				2.85%				-8.56%	-5.95%	-12.44%	0.11%	N/A
<b>BBB Average Quality</b>												
Strong	510,544	5.2%	4.6%	-1.22%	517,639	5.4%	4.6%	0.39%	-0.84%	3.16%	6.83%	N/A
Lehman BBB				-1.18%				2.70%	1.49%	5.85%	4.75%	N/A
<b>Timberland</b>												
Evergreen (Wachovia)	388,948	3.9%	3.9%	3.30%	376,236	3.9%	3.9%	-0.22%	3.07%	N/A	N/A	N/A
										N/A	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>3,174,655</b>	<b>32.2%</b>	<b>30.0%</b>	<b>0.27%</b>	<b>3,168,478</b>	<b>33.1%</b>	<b>30.0%</b>	<b>0.71%</b>	<b>0.99%</b>	<b>2.56%</b>	<b>6.70%</b>	<b>6.56%</b>
Lehman Aggregate				-0.46%				4.58%	4.10%	8.62%	8.10%	7.57%
<b>HIGH YIELD BONDS</b>												
Western Asset	477,982	4.8%	5.0%	0.63%	474,991	5.0%	5.0%	-3.24%	-2.63%	-6.08%	-3.89%	4.16%
Lehman High Yield Bond Index				-0.87%				-2.93%	-3.77%	-3.60%	-2.31%	0.68%
<b>INTERNATIONAL FIXED INCOME</b>												
<b>International Core</b>												
UBS Global (Brinson)	467,718	4.7%	4.5%	-0.15%	468,279	4.9%	4.5%	2.39%	2.24%	16.83%	2.39%	2.43%
Salomon Brothers Non-US Gov't Bond Index				-0.18%				2.84%	2.65%	15.72%	3.14%	3.03%
<b>REAL ESTATE</b>												
J.P. Morgan	565,271			0.75%	560,412			1.64%	2.40%	4.10%	9.60%	11.72%
NCREIF TOTAL INDEX				0.55%				1.70%	2.26%	6.79%	9.41%	11.96%
<b>ALTERNATIVE INVESTMENTS</b>												
Coral Partners V	54,093			0.00%	58,379			-17.47%	-17.47%	-46.32%	-3.46%	N/A
Coral Partners V - Supplemental	3,507			0.00%	4,077			-14.17%	-14.17%	N/A	N/A	N/A
Coral Partners VI	4,119			N/A	3,377			N/A	N/A	N/A	N/A	N/A
Brinson 1998 Partnership Fund	11,636			0.00%	11,920			-3.97%	-3.97%	-15.23%	8.66%	N/A
Brinson 1999 Partnership Fund	14,186			0.00%	13,470			-4.67%	-4.67%	-21.70%	-0.85%	N/A
Brinson 2000 Partnership Fund	19,984			0.00%	17,623			-6.93%	-6.93%	-14.95%	N/A	N/A
Brinson 2001 Partnership Fund	5,517			0.00%	5,652			-1.08%	-1.08%	-6.22%	N/A	N/A
Brinson 2002 Partnership Fund	3,720			0.00%	3,811			0.15%	0.15%	N/A	N/A	N/A
Total Brinson Partnership Funds	55,043			0.00%	52,477			-4.85%	-4.85%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	6,695			0.00%	6,331			12.07%	12.07%	-7.68%	-3.51%	N/A
Brinson 2000 Non-US Partnership Fund	4,916			0.00%	5,036			7.00%	7.00%	-6.51%	N/A	N/A
Brinson 2001 Non-US Partnership Fund	2,416			0.00%	2,476			-1.47%	-1.47%	-4.85%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	1,888			N/A	1,934			N/A	N/A	N/A	N/A	N/A
Total Brinson Non-US Partnership Fund	15,915			0.00%	15,777			6.90%	6.90%	N/A	N/A	N/A
Brinson BVCF IV	37,342			0.00%	38,256			-2.76%	-2.76%	-29.16%	-17.06%	N/A
Matlin Patterson Global Opportunities	49,446			N/A	50,655			N/A	N/A	N/A	N/A	N/A
InvestAmerica	4,945			0.00%	5,066			0.00%	0.00%	N/A	N/A	N/A
Hearthstone	24,645			0.00%	26,404			11.34%	11.34%	4.99%	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS</b>	<b>249,055</b>	<b>2.5%</b>	<b>3.0%</b>	<b>0.00%</b>	<b>254,466</b>	<b>2.7%</b>	<b>3.0%</b>	<b>-7.09%</b>	<b>-7.09%</b>	<b>-28.73%</b>	<b>-4.08%</b>	<b>N/A</b>
Post Venture Capital Index				10.64%				-22.64%	-14.41%	-44.30%	-26.03%	-6.83%
<b>CASH EQUIVALENTS</b>												
Northern Trust STIF/STEP	71,723	0.7%	0.0%	0.05%	70,446	0.7%	0.0%	0.68%	0.74%	2.29%	4.72%	5.01%
90 Day T-Bill				0.15%				0.45%	0.60%	2.63%	4.67%	4.84%
<b>TOTAL FUND</b>	<b>9,858,526</b>	<b>100.00%</b>	<b>100.00%</b>	<b>3.20%</b>	<b>9,567,169</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-9.04%</b>	<b>-6.13%</b>	<b>-7.26%</b>	<b>-0.79%</b>	<b>4.52%</b>
POLICY TARGET BENCHMARK				3.96%				-9.17%	-5.57%	-5.38%	-0.77%	5.32%

NOTE: Monthly returns and market values are preliminary and subject to change.